



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

May 13, 2003

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**AGREEMENT WITH EMPHASYS COMPUTER SOLUTIONS FOR SOFTWARE
SUPPORT SERVICES (ALL DISTRICTS)
(3 Vote)**

**CIO RECOMMENDATION: APPROVE ()
APPROVE WITH MODIFICATION (X) DISAPPROVE ()**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Software Maintenance Agreement between the Housing Authority and Emphasys Computer Solutions is exempt from the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), as described herein, because the proposed work will not have the potential for causing a significant effect on the environment.
2. Approve and authorize the Executive Director of the Housing Authority to execute a one-year Software Maintenance Agreement with Emphasys Computer Solutions, in substantially the form of the attached, to provide software support for the Section 8 Program and the Conventional Public Housing Program, at a cost of \$79,040, to be effective following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director to execute amendments to the Agreement to extend the time of performance in one-year increments, and to increase compensation up to a maximum of five percent per year, or \$82,992 for the second year, \$87,141 for the third year, \$91,498 for the fourth year, and \$96,073 for the fifth year, following approval as to form by County Counsel.
4. Authorize the Executive Director to use funds included in the Housing Authority's annual approved budgets, the aggregate amount of which will not exceed \$436,744 over a five-year period, for the purposes described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Software Maintenance Agreement is needed to ensure that the Housing Authority will continue to provide timely and accurate systems management and reporting.

FISCAL IMPACT / FINANCING:

There is no impact on the County general fund. A total of \$79,040 included in the Housing Authority's approved budget will be used to fund the one-year Agreement.

Four one-year extensions may be executed, including a maximum of five percent annual increases, at a cost of \$82,992 for the second year, \$87,141 for the third year, \$91,498 for the fourth year, and \$96,073 for the fifth year, using funds included in the Housing Authority's approved annual budgets. The total amount for all five years is \$436,744.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On July 25, 1995, your Board authorized the Housing Authority to purchase Section 8 Management Software from Memory Lane Systems, Inc. and to enter into a contract with the firm to provide annual software maintenance including updates to address U.S. Department of Housing and Urban Development (HUD) regulatory changes, software enhancements, correcting problems identified by user groups, and ongoing support of the system. The software supports management of the Housing Authority's Section 8 Waiting List, Conventional Public Housing Waiting List, Housing Inspection and Annual Landlord Re-certification scheduling, HUD required tracking of families in the Family Self Sufficiency Program, Housing Assistance Payments to Landlords, and monitoring reports required by HUD.

In June 2000, Memory Lane Systems, Inc. merged with Creative Computer Solutions, Inc. to form Emphasys Computer Solutions. The maintenance contract remained in force and has been renewed annually since the initial contract date. Emphasys Computer Solutions has provided satisfactory support services under the existing contract, which will expire on May 31, 2003.

The proposed new Software Maintenance Agreement provides for continuation of technical phone support, HUD required updates, and technological updates to the software. It will also continue major software upgrades, which are made available to the Housing Authority by downloading directly from the Emphasys Computer Solutions Web Site. The software upgrades include both technological and functional enhancements.

The Housing Authority's recommendation to maintain Emphasys Computer Solutions support services has been approved by the Chief Information Officer.

Honorable Board of Commissioners

May 13, 2003

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The Agreement has been reviewed by County Counsel. It will be effective following approval as to form by County Counsel and execution by all parties.

On April 23, 2003, the Housing Commission recommended approval of the Agreement.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35(b)(3), the proposed service is categorically excluded from the provisions of NEPA, because it involves activities consisting solely of software support and will not alter existing environmental conditions. The proposed service is also statutorily exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15061(b)(1), in that it does not meet the definition of a project, and does not have the potential for causing a significant effect on the environment.

The environmental review record is available for viewing by the public during regular business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

CONTRACTING PROCESS:


Emphasys Computer Solutions is the exclusive proprietor of the software. Therefore, a non-competitive, sole source procurement process was utilized in accordance with the Housing Authority's policies and procedures.

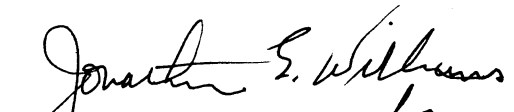
IMPACT ON CURRENT SERVICES AND PROJECTS:

The Agreement is necessary in order for Emphasys Computer Solutions to continue providing software support. The support will enable the Housing Authority to have access to software and HUD regulatory updates, reduce the risk of extended periods of downtime by having the vendor assist Housing Authority staff in resolving system errors if they occur, and provide access to any further enhancements as they are developed.

Respectfully submitted,

Reviewed by:


for CARLOS JACKSON
Executive Director


JON FULLINWIDER for
Chief Information Officer
COUNTY OF LOS ANGELES

Attachments: 2

CIO ANALYSIS

Software Maintenance Agreement Between The Housing Authority of the County of Los Angeles and Emphasys Computer Solutions

CIO RECOMMENDATION: ☐ APPROVE ☒ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☒ New Contract ☐ Contract Amendment ☐ Contract Extension
☒ Sole Source Contract

New/Revised Contract Term: Base Term: 1 Yrs # of Option Yrs 4

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Carlos Jackson, Executive Director, Community Development Commission

Budget Information :

Y-T-D Contract Expenditures	\$0
Requested Contract Amount	\$436,744
Aggregate Contract Amount	\$436,744

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? 100%

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?

Project/Contract Description:

The proposed contract provides for technical phone support, HUD required updates, and technological updates to a suite of Section 8 Management Software products purchased in 1995. The support agreement also provides for obtaining major software upgrades that are made available to the Housing Authority by downloading them from the Emphasys Computer Solutions Website. These software upgrades include both technological and functional enhancements.

Background:

On July 25, 1995, your Board authorized the Housing Authority to purchase Section 8 Management Software from Memory Lane Systems, Inc. and to enter into a contract with this firm to provide for annual maintenance to cover software updates. The software will allow for the continued management of the Housing Authority's Section 8 Waiting List, Conventional Public Housing Waiting List, Housing Inspections, Annual Landlord Re-certification, Family Self Sufficiency Program, Housing Assistance Payments to Landlords, and related HUD reports.

In June 2000, Memory Lane Systems, Inc. merged with Creative Computer Solutions, Inc. to form Emphasys Computer Solutions. The maintenance contract remained in force and has been renewed annually since the initial contract date.

On September 22, 2000, a letter was sent by Emphasys Computer Solutions to the Housing Authority explaining that the annual maintenance fee would increase from \$18,500 to \$53,943 starting December 1, 2000. The annual maintenance fee has been increasing since that time. Due to the increased costs, the Housing Authority entered into negotiations for a new Agreement. The new Agreement has been substantially negotiated and will be effective beginning June 1, 2003 and can be renewed annually through May 31, 2008.

This draft agreement is still being negotiated and, according to CDC, is in "substantially" final form.

Project Justification/Benefits:

The Agreement is needed to ensure that the Housing Authority will continue to provide timely and accurate Housing Assistance Payments to landlords, Section 8 Program Management, and subsequent reporting to the U.S. Department of Housing and Urban Development (HUD) for these activities and associated programs. The Agreement will also ensure that the software is promptly and accurately updated to reflect any changes in HUD regulations.

Project Metrics

Timely correction of bugs, fixes, updates and provision of software that accurately reflect current HUD regulations.

Impact If Proposal Is Not Approved

Without this agreement, the software modules will no longer be under warranty and any “bugs” or program deficiencies will not be corrected. In addition, enhancements to the modules, including software updates resulting from HUD regulatory changes, software enhancements, fixes requested by user groups, and ongoing support of the system will not be supported.

Alternatives Considered:

Emphasys Computer Solutions is the exclusive proprietor of the software. Therefore, a non-competitive, sole source procurement process was utilized in accordance with the Housing Authority’s policies and procedures.

Project Risks:

The risks associated with the approval of this agreement are minimal. The Housing Authority can decide which software enhancements and “fixes” to apply and these updates can be tested prior to implementation. The risks are much greater by not properly maintaining the software and could easily result in extended periods of “downtime” and application not in compliance with HUD regulation.

Risk Mitigation Measures:

To ensure optimum system availability and performance, the Housing Authority technical and operational staff have the responsibility for properly determining which, if any, software patches or updates are to be added to the system, and to ensure that adequate testing is performed prior to changes being made to the production system.

The proposed agreement provides for quarterly rather than annual payments paid in advance. The quarterly option reduces the Housing Authority's overall financial exposure and eliminates any issues regarding remedies for termination for default.

Financial Analysis:

There is no impact on the County general fund. A total of \$79,040 included in the Housing Authority’s approved budget will be used to fund the one-year Agreement.

Four one-year extensions may be executed, including a maximum of five percent annual increases, at a cost of \$82,992 for the second year, \$87,141 for the third year, \$91,498 for the fourth year, and \$96,073 for the fifth year, using funds included in the Housing Authority’s approved annual budgets. The total amount for all five years is \$436,744.

CIO Concerns:

The CIO has no concerns with this Agreement provided that the terms, conditions and service levels as specified in this draft are consistent with the final Agreement.

CIO Recommendations:

Approve the recommended actions as delineated in the Board Letter and further direct the Community Development Commission to submit the final Agreement for CIO and County Counsel review prior to final execution of the Agreement.

CIO APPROVAL

Date Received: April 24, 2003

Prepared by:

John McTear

Date:

April 30, 2003

Approved:

Jonathan S. Williams

Date:

April 30, 2003

**SOFTWARE MAINTENANCE AGREEMENT
BETWEEN
THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES AND
EMPHASYS COMPUTER SOLUTIONS**

This Software Support Services Agreement (hereinafter "Agreement") is made and entered into this _____ day of _____, 2003 by and between the Housing Authority of the County of Los Angeles (hereinafter "Licensee" or "The Authority") and Emphasys Computer Solutions, Inc., a Michigan corporation (hereinafter "Contractor" or "ECS").

RECITALS

WHEREAS, on July 31st, 1995, the Housing Authority entered into a Computer Software and Software Support Services agreement with ECS (hereinafter "Original Agreement") for the licensing, implementation and support of Section 8 Management software of ECS; and

WHEREAS, pursuant to the terms of the Original Agreement, Licensee has licensed certain modules of software which are owned by ECS (hereinafter referred to as "Application Software"); and

WHEREAS, the Application Software licensed under the Original Agreement have been implemented and have been operating and supported successfully by ECS; and

WHEREAS, ECS remains in the business of providing software support services, including technical phone support, HUD required updates and technological updates to the software, including those licensed under the Original Agreement; and

WHEREAS, the software support services currently provided will expire on May 31, 2003; and

WHEREAS, the Authority and ECS desire to enter into this Agreement to enable ECS to continue provision of software support services for the software modules licensed under the Original Agreement, including all Exhibits thereto.

NOW, THEREFORE, based on the foregoing Recitals and in consideration of the mutual covenants set forth herein, the Authority and Contractor agree as follows:

TERMS AND CONDITIONS

1. SCOPE OF WORK

1.1 General

- 1.1.1 ECS agrees to provide standard support on the proprietary application software licensed to Licensee by ECS. These application software products are listed on the attached Exhibit C. ECS agrees to provide support services to enable the Licensed Software to perform substantially in accordance with ECS' documentation and compliant with federal statutory and regulatory requirements. Said software support services shall be provided by ECS only at its principal offices in Livermore, California or Petoskey, Michigan. Standard support shall be available and performed by ECS either by telephone, e-mail, or modem. Nothing herein shall obligate ECS to send a representative to Licensee's principal office unless otherwise mutually agreed to in writing by ECS and Licensee upon agreement by Licensee to pay Reasonable Travel Expenses. There will be no additional charges for the telecommunication costs of voice or data transmission.

2. APPLICABLE DOCUMENTS

2.1 Interpretation

- 2.1.1 The provisions of this document along with Exhibits A, B, C, D, E, F and G, attached hereto and described in Paragraph 2.1.2 below, to the extent applicable to the Software Support Services provided under this Agreement, collectively form and throughout and hereinafter are referred to as the "Agreement".
- 2.1.2 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, subtask, deliverable, goods, service or other work, or otherwise between and/or among this document and/or the Exhibits, such conflict or inconsistency, shall be resolved by giving precedence first to this document as the body of this Agreement, and then to the Exhibits thereto, according to the following order of priority:

1. Exhibit A – Actions to be Performed by ECS
2. Exhibit B – Standard and Billable Support
3. Exhibit C – Licensed Modules
4. Exhibit D – Support Fee Schedule
5. Exhibit E – Performance Standards
6. Exhibit F – Contractor's EEO Certification
7. Exhibit G – Actions to be Performed by Licensee

2.2 Entire Agreement

The body of this Agreement, together with the Recitals and all Exhibits thereto, constitutes the complete and exclusive agreement between the parties and supersedes all previous and contemporaneous agreements, whether written or

oral, and any and all communications and negotiations relating to the subject matter of this Agreement.

3. **DEFINITIONS**

The terms and phrases in this Paragraph 3 in bold and in quotation, shall have the meanings set forth below when used in this Agreement throughout and hereafter.

3.1 **Application Software**

“**Application Software**” is proprietary software including software commonly branded and known by ECS as LIB, Select, Flex, or Elite, developed or sold by ECS whereby ECS owns the patent or copyright to the software.

3.2 **Best Effort**

“**Best Effort**” means reasonable commercial efforts pursued diligently to a successful resolution at a level of effort that would be expected of a vendor of similarly priced enterprise software in the support of its clients.

3.3 **Business Day(s); business day(s)**

“**Business Day(s)**” or “**business day(s)**”, whether used with initial capitalization or not, whether singular or plural, means Monday through Friday, excluding the Authority holidays.

3.4 **Contract Sum**

“**Contract Sum**” means the maximum monetary amount payable by the Authority to Contractor under this Agreement, as set forth in Paragraph 8.1 (Contract Sum).

3.5 **County**

“**County**” means the County of Los Angeles, California.

3.6 **Custom Programming**

“**Custom Programming**” is used to indicate a customer requested modification that is considered sufficiently important to require payment for programming.

3.7 **Day(s); day(s)**

“**Day(s)**” or “**day(s)**”, whether used with initial capitalization or not, whether singular or plural, means calendar day(s) and not business day(s), unless otherwise expressly specified.

3.8 **Documentation**

“**Documentation**” means the formal printed-paper manuals and/or online versions that include descriptive materials and screen displays of all applicable screens and screen choices in the application software.

3.9 **Module Technical Documentation**

“**Module Technical Documentation**” means standard documentation including setup options, the impact and interactions of the setup options, SBUS rules, and other information useful in setup and administration of a module.

3.10 **Application Technical Documentation**

“**Application Technical Documentation**” means standard documentation showing the basic workflow assumptions within and between modules.

3.11 **System Technical Documentation**

“**System Technical Documentation**” means equivalent to the current Emphasys User Manuals.

3.12 **Effective Date**

“**Effective Date**” has the meaning set forth in Paragraph 7 (Term).

3.13 **Emergency Support Event**

“**Emergency Support Event**” means a support event that impacts mission critical processes whenever one or more of the following situations occur:

- System Down
- Inability to process and print any routine check run (i.e., Payroll, A/P, Section 8, etc.)
- Inability to process rent statements
- Program errors without workarounds
- Incorrect calculation errors impacting a majority of records
- Aborted postings or error messages preventing data integration and updates
- Performance issues of severe nature impacting mission critical processes
- Security issues (any *access violation codes*)

3.14 **Enhancement**

“**Enhancement**” means non-billable programming change made to the application software. Licensee may request enhancements to the software, but ECS is not obligated to provide the enhancement. However,

ECS may make non-billable improvements to the software on a voluntary basis.

3.15 **Federally Mandated Change(s)**

“**Federally Mandated Change(s)**” means programming of the application software or reports within the application software required to meet federal statutory and regulatory requirements.

3.16 **F.O.B.**

“**F.O.B.**” means delivery and installation in place at Licensee designated locations.

3.17 **Fix**

“**Fix**” means programming necessary to correct a problem within the current released software version and/or corresponding Documentation, including those necessary to correct previously released HUD Federally Mandated Changes. Fix does not mean programming of new functionality or different features. A fix is a non-chargeable programming event to previously released software versions, custom programming, service packs, or hot patches.

3.18 **Hardware**

“**Hardware**” means, in addition to the generally accepted industry definition, a Central Processing Unit (CPU), Local Area Network (LAN), fileserver, hubs, routers, modems, printers, peripherals, cabling, communications devices, protocols and operating systems,

3.19 **Installation**

“**Installation**” means any and all software or hardware installation or configuration activities, software loading, software testing, etc., whether performed at Licensee or ECS.

3.20 **Knowledge Base**

“**Knowledge Base**” means a rolling 6-month database containing all support and programming events. Included will be the complete software designation of where the problem occurred, the date and time the problem was first reported, and problem resolution or planned resolution. It will be a searchable online report viewed by software product line, version, keyword, module and event number. Note that only closed events will contain final information for versions and solutions.

3.21 Licensee

“**Licensee**” means the Housing Authority of the County of Los Angeles.

3.22 Normal Business Hours

“**Normal Business Hours**” mean 8:30am – 8:00pm EST including daylight savings time, excluding weekends and nationally recognized holidays as defined in the ECS published list or ECS web site.

3.23 Proprietary Information

“**Proprietary Information**” means information developed by ECS that is clearly labeled and noted as proprietary information.

3.24 Reasonable Travel Expenses

“**Reasonable Travel Expenses**” means actual expenses incurred by ECS for coach-class airfare, ground transportation, mileage and airport parking during the term of this AGREEMENT, as allowed in the federal regulations, and provided that Licensee gives approval for such travel. Travel expenses shall be billed separately and will include, but not necessarily be limited to:

- Automobile reimbursement for daily rental (compact or mid-size as appropriate), or mileage at the standard rate currently in effect on a per mile basis as published by the federal government.
- Airfare reimbursement at actual cost, not to exceed coach class fares.
- Lodging, incidental and meal expenses reimbursement on a per diem basis, per person per day as allowed in the federal regulations for the geographic area where licensee resides.

3.25 Software Add-on

“**Software Add-on**” means application software that significantly adds to the functionality of a Software Module and itself is dependent on that core module to correctly function. An Add-on may include enhancements, but is not considered an update. An Add-on, by definition, cannot run as a stand-alone module and usually requires implementation services or third party software to ensure adequate implementation. An example of an Add-on would be Lock Box Processing for Tenant Accounts Receivable. ECS shall publish and maintain a list of software Add-ons on its web site. If ECS creates a new Add-on containing similar functionality that pre-existed in a different Add-on, Licensee shall be entitled to receive the new Add-on at no additional license cost. Additionally, if ECS removes an available function from a module and includes the function in a new or different module with the intention of creating either a new Software Module or Software Add-on, the customer is entitled to that Module or Add-on containing that function at no additional cost.

3.26 **Software**

“**Software**” means the encrypted source code and/or compiled object code version of computer programs and any related documentation, excluding maintenance diagnostics.

3.27 **Software Module**

“**Software Module**” means an application software package that is designed to automate a business unit or department. Software modules can run independently of one another but are sold as an integrated and fully linked whole, part of a series of modules, designed to seamlessly and automatically integrate. Examples of software modules include Work Order, Tenant Accounts Receivable, General Ledger, and Waiting List. ECS will publish on its web site a list of all software modules with descriptions and prerequisites.

3.28 **Source Code or Object Code Purchased or Escrow Released**

“**Source Code or Object Code Purchased or Escrow Released**” means all proprietary software developed, modified, customized, enhanced, or owned by ECS. Included in this definition are all system utilities and diagnostic software developed, modified, customized, enhanced or owned by ECS. The software will be released with either NO encryptions, or encryptions will be deactivated, or the licensee will have all encryption keys to permit the licensee to disengage or deactivate all encryptions. Also to be provided is the then most current documentation and any other ECS developed tools to maintain the software.

3.29 **State**

“**State**” means the State of California.

3.30 **Support Event**

“**Support Event**” means a support incident called in by Licensee requiring either standard support or billable support. ECS shall assign an Event number to all Support Events and that number shall remain the same regardless of the status or type of event assigned internally at ECS.

3.31 **System Configuration**

“**System Configuration**” means the hardware peripherals, cabling, local area network, and other communications devices related to the physical installation.

3.32 **Third Party Software**

“**Third Party Software**” means any software not developed by ECS.

3.33 **Training**

“**Training**” means dedicated professional education about any software or hardware. Training may consist of both structured classroom training and individual operator training and assistance, either on-site or remote.

3.34 **Update**

“**Update**” means programming made to a specific version of the application software that resulted from an enhancement, fix, or Federally Mandated Change. Updates are provided in the form of Service Packs or Hot Patches.

3.35 **User Guide**

“**User Guide**” means a custom designed guide for a specific Licensee that is functionally specific and workflow oriented.

3.36 **User Manual**

“**User Manual**” means a generic manual for each module or add-on that is generally available to other Licensees and is included as part of the purchase price of the application software.

3.37 **Version Upgrade**

“**Version Upgrade**” means a new version of the application software. Upgrades usually require additional third party software (i.e. new database or database version) and implementation services due to substantial differences between versions. Versions are made up of Service Packs and Hot Patches. For example, Version 5.24.3 indicates Version 5, Service Pack 24, and Hot Patch 3.

4. **STANDARD OF SERVICES**

Contractor shall provide its software support services under this Agreement in accordance with the industry standards prevailing at the time the software support services are rendered. In the event that failure by Contractor to comply with the provisions of this Paragraph 4 amounts to a material breach of Contractor’s software support services obligations under this Agreement, the Authority may, in its sole discretion, terminate this Agreement pursuant to and in accordance with Paragraph 20 (Termination for Default).

5. **TERM**

This Agreement shall commence on June 1, 2003 (hereinafter the "Effective Date") and shall remain in full force and effect through August 31, 2003 (hereinafter the "Initial Term"), unless sooner terminated, in whole or in part, as provided herein. At the end of the Initial Term or any Extended Term (as defined in this Paragraph 6 below), the Authority may extend this Agreement automatically, without further act, for up to nineteen (19) consecutive three-month periods (hereinafter "Extended Term(s)"), up to and through May 31, 2008, unless, no later than thirty (30) days prior to the expiration of the Initial Term or any Extended Term, the Authority notifies Contractor in writing that it intends not to extend this Agreement any further. The term shall be deemed extended upon payment by the Authority of ECS's invoice for the upcoming extension period.

6. COMPENSATION AND INVOICES

6.1 Contract Sum

- 6.1.1** The Contract Sum under this Agreement shall be the total monetary amount payable by the Authority to Contractor for providing the work specified under this Agreement.

The Contract Sum for this Agreement, authorized by the Authority hereunder, shall not exceed Four Hundred Thirty-Six Thousand, Seven Hundred and Forty-Four Dollars (\$436,744). The Contract Sum for the first contract year shall not exceed Seventy- Nine Thousand, Forty Dollars (\$79,040). The Contract Sum for any year following the first or any succeeding contract year shall not increase by more than five percent (5%) from the fees charged for the preceding year, subject to the Term of this Agreement as outlined in paragraph 5.

7. INVOICES

7.1 General

Contractor shall invoice the Authority for software support services hereunder in advance annually in accordance with section 8.1.1 and the terms of this Agreement. Contractor shall submit the invoices to the following address, unless otherwise directed by the Authority:

Ms. Rebecca Craig, Director
Assisted Housing Division
The Housing Authority
of the County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670-3722

7.2 Sales/Use Tax

The Contract Sum shown in Paragraph 6.1 (Contract Sum) above shall be deemed to include all amounts necessary for the Authority to reimburse Contractor for all applicable California and other state and local sales/use taxes on software support services procured by the Authority pursuant to, or otherwise due as a result of, this Agreement. All California sales/use taxes shall be paid directly by Contractor to the State or other taxing authority. Contractor shall be solely liable and responsible for any and all such California and other state and local sales/use taxes billed by Contractor to the Authority and paid by the Authority to Contractor in accordance with this Agreement. In the event Contractor fails to pay such California or any other state or local sales/use tax, Contractor shall reimburse the Authority for any and all tax amounts paid by the Authority as a result of such failure and any attorneys' fees, including costs, associated therewith.

8. PAYMENTS

Contractor shall be paid in accordance with the Authority's standard accounts payable system. The Authority will pay Contractor's invoices within thirty (30) calendar days of receipt thereof. In the event the Authority fails to pay an invoice within a thirty-day period, Contractor shall provide a notice to the Authority of such failure, upon receipt of which the Authority shall cure the non-payment within thirty (30) calendar days from the later of: (i) the receipt of the notice or (ii) the expiration of the current software support services term. Failure to cure within such thirty-day (30) period by the Authority shall constitute a breach by the Authority, upon which Contractor may suspend or terminate this Agreement.

9. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Subject to the provisions of Paragraph 20 (Termination for Default), Contractor shall have no claim against The Authority for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement, including the Authority's election not to renew this Agreement for any additional software support services term in accordance with this Agreement. Should Contractor receive any such payment, it shall immediately notify the Authority and shall immediately repay all such funds to The Authority. Payment by the Authority for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the Authority's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement. Contractor has no obligation to provide services beyond the expiration of the current software support services term.

10. TERMINATION FOR IMPROPER CONSIDERATION

The Authority may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement, if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County office, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to the Contractor's performance pursuant to this Agreement. In the event of such termination, the Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by the Authority officer or employee to solicit such improper consideration. The report shall be made either to the Authority's Executive Director or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

11. **WARRANTY**

Contractor warrants that its software support services shall be performed in accordance with the industry standards prevailing at the time the services are rendered and the applicable warranty provided in the License Agreement.

12. **CHANGE NOTICES AND AMENDMENTS**

- 12.1 No representative of either the Authority or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph 12.
- 12.2 For any change requested by the Authority which does not affect the scope of work, term, payments, or any term or condition included in this Agreement, a Change Notice shall be prepared and executed by the Authority's Executive Director, upon mutual agreement of both parties.
- 12.3 Except as otherwise provided in this Agreement, for any change requested by the Authority which affects the scope of work, term, payments, or any term or condition included in this Agreement, a negotiated written Amendment to this Agreement shall be approved by the Authority's Board of Commissioners, prepared and executed by the Authority's Executive Director and Contractor's authorized representative, upon mutual agreement of both parties.
- 12.4 **Facsimile**

Except for the parties' initial signatures to this Agreement, which must be provided in "original" form and not by facsimile, the Authority and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on the Change Notices prepared pursuant to this Paragraph 12 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Agreement, such that the parties need not follow up facsimile transmissions of such documents by subsequent (non-facsimile) transmissions of "original" versions of such documents.

13. SUCCESSORS AND ASSIGNMENT

This Agreement may not be assigned except with the prior written consent of the parties, which consent shall not be unreasonably withheld. In the event of any assignment of this Agreement by Contractor, Contractor shall provide the Authority with a commercially reasonable notice, at least thirty (30) days prior to such assignment.

14. CONFIDENTIALITY

Contractor, and its officers, employees, agents and subcontractors, shall keep confidential all of its reports, records, data and information received, including, but not limited to, billing and the Authority records, prepared or assembled pursuant to the performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Authority, subject to applicable law.

15. SOURCES AND APPROPRIATION OF FUNDS

The Authority's obligation is payable only and solely from funds appropriated through the U.S. Department of Housing and Urban Development (HUD) for the purpose of this Agreement. All funds are appropriated every fiscal year beginning July 1.

In the event this Agreement extends into succeeding fiscal years and funds have not been appropriated, this Agreement will automatically terminate as of June 30 of the current fiscal year. The Authority will endeavor to notify Contractor in writing within ten (10) days of receipt of non-appropriation notice.

16. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless the Housing Authority of the County of Los Angeles, and its elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert

witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement

Nothing herein shall be construed to obligate ECS to protect, indemnify and save Licensee, its officers, and employees harmless from and against liabilities, losses, damages, costs, expenses (including attorney's fees), causes of action, suits, claims, demands and judgments arising from or by reason of the negligent, or wrongful acts or omissions by Licensee, or any of its agents, employees or officers

LIMITATION OF LIABILITY

In no event shall either party be liable to the other under this Agreement for any indirect or consequential damages.

17. NEWS RELEASES

ECS shall issue no news releases naming the Licensee without the prior written consent of Licensee's Executive Director, and then only in coordination with Licensee.

18. DATE AND TIME COMPLIANCE

ECS certifies that Application Software is compliant to properly handle date/time functions.

19. THE AUTHORITY'S QUALITY ASSURANCE PLAN

The Authority will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Commissioners. The report will include improvements/corrective action measures taken by the Authority and Contractor. If improvement does not occur consistent with the corrective measure, the Authority may terminate this Agreement, pursuant to Paragraph 20, or seek other remedies as specified in this Agreement.

20. TERMINATION FOR DEFAULT

The Authority may, by written notice to Contractor, terminate the whole or any part of this Agreement if (i) Contractor has failed to comply with any provision of this Agreement, amounting to a default by Contractor or (ii) Contractor breached a material software support services provision and such breach has not been cured within thirty (30) days of written receipt of notice of such breach and description

thereof. Upon receipt of notice of such election, Contractor shall pay to Licensee an amount equal to the pro-rata portion of the then current software support services fees paid to, but unearned by, Contractor.

21. CONTRACTOR'S WARRANTY OF ADHERENCE TO THE AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Contractor acknowledges that the Authority has established a goal of ensuring that all individuals who benefit financially from the Authority through contract, are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers.

Contractor shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

22. TERMINATION FOR BREACH OF WARRANTY TO COMPLY WITH THE AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 21 (Contractor's Warranty of Adherence to the Authority's Child Support Compliance Program) shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child software support services Department (hereinafter "CSSD") shall be grounds upon which the Authority's Board of Commissioners may terminate this Agreement pursuant to Paragraph 20 (Termination For Default).

23. POST MOST WANTED DELINQUENT PARENTS LIST

Contractor acknowledges that the Authority's places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is the Authority's policy to encourage all the Authority contractors to voluntarily post an entitled "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. The CSSD will supply Contractor with the poster to be used.

24. SUBCONTRACTING

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The Contractor may subcontract only those specific portions of work allowed in the original specifications covered by this Agreement with prior written approval by the Authority.

The Contractor shall not subcontract any part of the work covered by this Agreement or permit subcontracted work to be further subcontracted without prior written approval by the Authority.

25. INDEPENDENT CONTRACTOR STATUS

- 25.1** This Agreement is by and between the Authority and Contractor and not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the Authority and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.
- 25.2** Contractor shall be solely liable and responsible for providing all compensation and benefits to, or on behalf of, all persons performing work pursuant to this Agreement. The Authority shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State or local taxes, or other compensation, benefits or taxes for any personnel provided by or performing work on behalf of Contractor.
- 25.3** The employees and agents of Contractor or any of its subcontractors shall, while on the premises of the Authority, comply with all rules and regulations of the premises provided by the Authority or known to Contractor, including, but not limited to, security requirements, and applicable Federal and State Laws.

26. INSURANCE

Contractor shall procure and maintain at Contractor's expense for the duration of this Agreement the following insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors.

- A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000

The Housing Authority of the County of Los Angeles ("The Authority"), the County of Los Angeles ("County"), and their officials and employees, shall be covered as insured with respect to: liability arising out of activities performed by or on behalf of

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the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor.

- B. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each incident. Such insurance shall include coverage of all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".
- C. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing worker's compensation benefits, as required by the Labor Code of the State of California.

In all cases, the above insurance also shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-policy limit	\$1,000,000
Disease-each employee	\$1,000,000

Any self-insurance program and self-insured retention must be separately approved by the Authority.

Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the Authority.

Acceptable insurance coverage shall be placed with carriers admitted to write insurance in California or carriers with a rating of or equivalent to A: VIII by A.M. Best & Company. Any deviation from this rule shall require specific approval in writing by the Authority.

All coverage for subcontractors shall be subject to the requirements stated herein and shall be maintained at no expense to the Authority.

Contractor shall furnish the Authority with certificates of insurance and with original endorsements affecting coverage as required above. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Failure on the part of the Contractor to procure or maintain insurance required by this Agreement shall constitute a material breach of contract upon which the Authority may immediately terminate this Agreement.

27. EMPLOYEES OF CONTRACTOR

Professional Conduct: The Authority does not and will not condone any acts, gestures, comments or conduct from Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The Authority will properly investigate all charges of harassment by residents, employees or agents of the Authority against any and all Contractor's employees, agents or subcontractors providing services for the Authority. Contractor assumes all liability for the actions of Contractor's employees and subcontractors acting as agents for purposes of this Agreement and is responsible for taking appropriate action after reports of harassment are received by Contractor.

28. DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA

Contractor certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

29. SAFETY STANDARDS AND ACCIDENT PREVENTION

Contractor shall comply with all applicable federal, state and local laws governing safety, health and sanitation.

30. COMPLIANCE WITH LAWS

Contractor agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Agreement. This Agreement is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85. If the compensation under this Agreement is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR Part 15).

Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Agreement.

Contractor shall comply with the following laws in Sections 31-38, inclusive.

31. CIVIL RIGHTS ACT OF 1964, TITLE VI (NON-DISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS)

Contractor shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded

from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

32. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Contractor shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

33. AGE DISCRIMINATION ACT OF 1975 AND SECTION 504 OF THE REHABILITATION ACT OF 1973

Contractor shall comply with the Age Discrimination Act of 1975 and section 504 of the Rehabilitation Act of 1973, which require that no person in the United States shall be excluded from participating in, denied the benefits of, or subject to discrimination under this Agreement on the basis of age or with respect to an otherwise qualified disabled individual.

34. EXECUTIVE ORDER 11246 AND 11375, EQUAL OPPORTUNITY IN EMPLOYMENT (NON-DISCRIMINATION IN EMPLOYMENT BY GOVERNMENT CONTRACTORS AND SUBCONTRACTORS)

Contractor shall comply with Executive Order 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

Contractor will send to each labor union or representative of workers with which he has a collective bargaining Agreement or other contract or understanding, a notice to be provided by the agency of the Contractor's commitments under Section 202 of

Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

Contractor will furnish all information and reports required by the Executive Order and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Authority and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event of Contractor's noncompliance with the non-discrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions will be binding upon each subcontractor or vendor. Contractor will take such actions with respect to any subcontract or purchase order as the Authority may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by the Authority, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

35. SECTION 3 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1968, AS AMENDED

- A. The work to be performed under this Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (hereinafter in this Paragraph 31 "Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under

no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

- C. Contractor agrees to send to each labor organization or representative of workers with which Contractor has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. Contractor will not subcontract with any subcontractor where Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent Contractor's obligations under 24 CFR Part 135.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

36. LOBBYIST ORDINANCES

- A. *County Lobbyist Ordinance:* Contractor and each County Lobbyist or County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by Contractor, shall fully comply with the requirements as set forth in said County Code. Contractor must also certify in writing on the County Lobbyist Certification form that they are familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of Contractor will comply with the County Code.

Failure on the part of Contractor and or Lobbyist to fully comply with the County Lobbyist requirements shall constitute a material breach of this Agreement upon which the Authority may immediately terminate this Agreement and Contractor may be subject to civil liability pursuant to Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031).

- B. *Federal Lobbyist Requirements:* Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Agreement, and any extension, continuation, renewal, amendment or modification of said documents.

Contractor must certify in writing on the Federal Lobbyist Requirements Certification form that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of Contractor will comply with the Lobbyist Requirements.

Failure on the part of Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements may be subject to civil penalties.

37. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

38. USE OF RECYCLED-CONTENT PAPER PRODUCTS

Consistent with the Authority's Board of Commissioners' policy to reduce the amount of solid waste deposited at the County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on the project.

39. CONTRACTOR RESPONSIBILITY AND DEBARMENT

- A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Authority to conduct business only with responsible contractors.
- B. Contractor is hereby notified that, if the Authority acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, the Authority may, in addition to other remedies provided in the contract, debar Contractor from bidding on the Authority contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts the Contractor may have with the Authority.
- C. The Authority may debar a contractor if the Authority's Board of Commissioners finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County, the Authority, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, the Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County, the Authority or any other public entity.
- D. If there is evidence that Contractor may be subject to debarment, the Authority will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.
- F. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the

Authority's Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

- G. These terms shall also apply to subcontractors and sub-consultants of the County, the Authority contractors.

40. COMPLIANCE WITH JURY SERVICE PROGRAM

Written Employee Jury Service Policy

1. Unless Contractor has demonstrated to the Authority's satisfaction either that Contractor is not a "Contractor" as defined below or that Contractor qualifies for an exception, Contractor shall have and adhere to a written policy that provides that its Employees (as defined below) shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that Contractor deducts from the Employee's regular pay the fees received for jury service.
2. For purposes of this Paragraph 40, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or the Authority or a subcontract with a County or the Authority contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County or the Authority contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County or the Authority under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 40. The provisions of this Paragraph 40 shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Authority if Contractor at any time either comes within the Jury

Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County or the Authority may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the Authority's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Paragraph 40 may constitute a material breach of this Agreement, upon which the Authority may, in its sole discretion, terminate this Agreement and/or bar Contractor from the award of future the Authority contracts for a period of time consistent with the seriousness of the breach, not to exceed three (3).

41. ACCESS AND RETENTION OF RECORDS

Contractor shall provide access to the Authority, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of Contractor which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.

Contractor is required to retain the aforementioned records for a period of five (5) years after the Authority pays final payment and other pending matters are closed under this Agreement.

42. CONFLICT OF INTEREST

No the Authority employee whose position with the Authority enables such employee to influence the award of this Agreement or any competing agreements, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any way participate in County's approval or ongoing evaluation of such work, or in any way attempt to unlawfully influence the Authority's approval or ongoing evaluation of such work.

Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement.

Contractors represents that, to the best of its knowledge, it is not aware of any facts, which do or could create a conflict of interest. If a party hereafter becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the Authority. Full written

shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

43. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

44. INTERPRETATION

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if drafted by both parties hereto.

45. WAIVER

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

46. PATENT RIGHTS

The Authority will hold all the patent rights with respect to any discovery or invention which arises or is developed in the course of, or under this Agreement.

47. COPYRIGHT

No report, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor. All such documents become the property of the Authority and the Authority holds all the rights to said data.

48. NOTICES

The Authority shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Agreement to the extent that the Authority has actual knowledge of such injury or damage. The Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Agreement shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

The Authority: Ms. Rebecca Craigo, Director
Assisted Housing Division
The Housing Authority
of the County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670-3722

Contractor: General Manager
Emphasys Computer Solutions
2325 Summit Park Drive
Petoskey, MI 49770

Notices addressed as above provided shall be deemed delivered three (3) business days after mailed by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. Contractor and the Authority may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

49. CONTINGENT FEES

Contractor represents that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

50. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. As with respect to claims that are subject to exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California.

51. NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and the Authority do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder.

52. SURVIVAL

The following provisions of this Agreement shall survive its expiration or termination for any reason:

- 14 (Confidentiality);
- 16 (Indemnification);
- 41 (Access and Retention of Records);
- 43 (Severability);
- 50 (Governing Law, Jurisdiction and Venue).

AUTHORIZATIONS

IN WITNESS WHEREOF, Contractor and the Authority have executed this Agreement through their duly authorized officers this _____ day of _____, 2003.

THE AUTHORITY

THE HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

By _____
Executive Director

_____ Date

CONTRACTOR

EMPHASYS COMPUTER SOLUTIONS, INC.

By _____

_____ Date

Title _____

COUNTY

APPROVED AS TO FORM:
LLOYD W. PELLMAN
County Counsel

By _____
Deputy

_____ Date

Exhibit A: Actions to be Performed by ECS

General. ECS agrees to provide standard support on the proprietary application software licensed to Licensee by ECS. These application software products are listed on the attached Exhibit A. ECS agrees to provide support services to enable the Licensed Software to perform substantially in accordance with ECS' then current documentation and compliant with federal statutory and regulatory requirements. Said software support services shall be provided by ECS only at its principal offices in Livermore, California or Petoskey, Michigan. Standard support shall be available and performed by ECS either by telephone, e-mail, or modem. Nothing herein shall obligate ECS to send a representative to Licensee's principal office unless otherwise mutually agreed to in writing by ECS and Licensee upon agreement by Licensee to pay all Reasonable Travel Expenses. There will be no additional charges for the telecommunication costs of voice or data transmission.

ECS will support and maintain interfaces programmed or developed by ECS between ECS Application Software and any third party applications.

Advance Notice of Changes. ECS will make its Best Effort to always provide three (3) years of prior written notice to the Licensee regarding any change in the peripheral or interoperating technology related to the Application Software, such as database, operating system, programming language or any required peripherals within ECS' control. During such a three-year period, ECS will continue to support the Application Software unless such support is not feasible vis-à-vis federal requirements or lack of manufacturer support.

ECS will provide three (3) years notice before discontinuing support of a product line.

Test Systems. Subject to conditions within ECS' control, ECS will, on a reasonable basis, keep active and fully utilize the test systems in their offices for every ECS approved platform on which customers currently run software covered under this Agreement. The current list of environments includes, but is not limited to:

- Novell Netware 4.11
- Novell Netware 5.1
- Windows NT 4.0
- Windows 2000
- Unix
- AIX
- SCO
- Citrix MetaFrame
- Citrix WinFrame
- Windows 95/98/2000 or current MS desktop O/S release for workstations

Supported Software and Interfaces. ECS will provide standard support for all of the ECS software, any third party software interfaces and third party software as outlined in Exhibit A.

Methods for Requesting Support. ECS shall make available the following methods for requesting and obtaining Standard Support::

- A toll-free phone line that is directly accessible by Licensee and must be answered by a live operator during Normal Business Hours.
- Voice mail available on a 24/7 basis.
- Ability to request support via secure web site.
- Ability to request and receive Standard Support via e-mail.
- Dedicated fax server for requesting support.

ECS will make three documented attempts via e-mail, fax, or phone to reach agreement with Licensee that a support event should be closed. Each attempt must be at least one week apart. ECS will not close support events classified as Standard Support without the concurrence of the Licensee. However, if Licensee does not respond within seven (7) days to ECS' final attempt to reach such an agreement, the support event will be deemed closed. If for any reason the Licensee was not able to properly respond to ECS' three attempts, the Licensee can request to put the event back on the open support event list.

Priority Levels. As part of Standard Support, ECS agrees to provide support services according to the terms outlined herein for Application Software (Licensed Modules) listed in Exhibit A of this Agreement.

PRIORITY LEVELS are defined as follows, or as mutually agreed upon with a majority of customers ECS regularly involves in an advisory capacity:

Priority 1 (Emergency Support Event that impacts mission critical processes)

- System Down
- Inability to process and print any routine check run (i.e., Payroll, A/P, Section 8, etc.)
- Inability to process rent statements
- Program errors without workarounds
- Incorrect calculation errors impacting a majority of records
- Aborted postings or error messages preventing data integration and update
- Performance issues of severe nature impacting mission critical processes
- Security issues (any *access violation codes*)
- ECS will use its Best Effort to remedy Priority 1 events including continuous, after hours support as necessary.

Priority 2 (Routine Support Event)

- System errors whereby licensee agrees to implement an ECS authored workaround. ECS shall assist licensee in implementing the workaround.

- Calculation errors impacting a minority of records
- Reports calculation issues
- Printer related issues (related to interfaces with our software and not the printer itself)
- Performance issues not impacting critical processes
- Usability issues
- Issues with workarounds for large majority of accounts
- Report formatting issues
- Training questions, how to, or implementing new processes
- Recommendations for enhancements or system changes
- Questions on documentation
- All other support events not included in the above definition

Guaranteed Response Time. ECS will make its Best Effort to meet the guaranteed response time during Normal Business Hours within one (1) hour for Priority 1, and twenty-four (24) hours for Priority 2. ECS will make its Best Effort, including obtaining necessary assistance from programming staff, to provide a solution to a support event within four (4) hours for Priority 1, and seventy two (72) hours for Priority 2. If the support event becomes a program fix, it will be remedied as part of the software development, quality control procedures, and version control methodology established by ECS.

Support Event Numbers. ECS shall assign a permanent reference number (call tracking event #) to each Support Event and e-mail or fax a notification and confirmation thereof to the Licensee within one (1) hour of receiving a support call from Licensee. ECS shall provide quarterly call usage reports, service logs, and summaries of the service requests placed by Licensee within the last quarter. ECS shall provide automatic e-mail or fax notification to designated licensee contact on closed support events, pursuant to Section 3.5 above. In addition, ECS shall provide Licensee courtesy follow-up calls on a routine basis to ensure customer satisfaction.

Quarterly Support Call Reports. ECS shall publish an Event Closeout Report and summary at least on a quarterly basis. These reports shall list the affected module(s), a brief description of the problem and the resolution, elapsed time to closeout and resolution. These reports shall be posted on ECS' web site.

Web site. ECS shall provide a web site that includes the following services:

- Comprehensive status of Federally Mandated Changes
- Software updates will be provided on the web site with an e-mail notification to licensee's designated contact when the information is available.
- Access to status of all events (viewing Licensee specific support events real-time, and development status events real-time)
- User Manuals and Documentation
- Frequently Asked Questions page with associated responses or answers
- Hardware configuration documentation, including minimum requirements.
- Data file layouts (data dictionary)

- Company announcements
- List of Application Software modules and Add-ons
- Custom programming request listing and written descriptions of specifications
- Knowledge base as defined

Advance Notice on Federally Mandated Changes. Federally Mandated Changes as defined herein will be provided in a timely manner compliant with the mandated requirements with sufficient advance presentation to permit the licensee sufficient time to install, train, and implement all of the software.

Research on Federally Mandated Changes. ECS shall provide dedicated resources to research and design Federally Mandated Changes. ECS shall provide e-mail notification licensee's designated contact, of HUD requirements, regulations, and Federally Mandated Changes as a result of the research and design effort.

Programming of Federally Mandated Changes. ECS shall publish and maintain on its web site, on a monthly basis, all programming events that are designed to meet Federally Mandated Changes. Each event will be assigned a number, with a description, and a scheduled completion date. ECS will maintain on the web site information concerning the Federally Mandated Change and HUD's target implementation date. ECS will continue to monitor all of these Federally Mandated Changes and will update this information on the web site as appropriate. If HUD delays an implementation date or requires some other action that is crucial, ECS will notify the IT Directors of Licensee by e-mail of the pending change. ECS will provide staff personnel to track HUD changes and Licensee will have access to these personnel.

Request for Federally Mandated Change. If Licensee believes that there is a mandate that ECS has not addressed above, they can request from ECS that the mandate be included on the published list. ECS will review the request and add it to the list if agreed that action is required. If there is a dispute between the parties on this matter, the procedures outlined in Section 6, Dispute Resolution, will be activated to determine if a mandate should be included in the Application Software.

If a mandate results in a new Software Module, ECS will make it available for purchase according to ECS' published license fees to both current and prospective clients. If ECS decides that certain Federally Mandated Changes are better supported in a new module, and Licensee currently owns a corresponding license to a pre-existing Software Module affected by the Federally Mandated Changes, Licensee shall be entitled to the new Software Module for no additional license fees.

Most Federally Mandated Changes would not require a new module. For example, it is understood that if an agency already has the Public Housing Handheld Inspection module, then the UPCS Inspection functions will not be considered a new module.

Documentation. ECS shall provide electronic, up-to-date and comprehensive documentation for the Elite product line, including User Manuals, product updates, and installation procedures. For the Flex product, ECS will provide updated process sheets and installation procedures. At a minimum, there will be an annual documentation revision; however, if there are software changes during the year, all such changes shall have an accompanying documentation upgrade for insertion into the standard User Manuals.

When there are procedure changes, ECS will send a fax or e-mail to the Licensee to alert them of the new procedures that will be posted to the ECS web site.

Training. Except as outlined herein under “Standard Support,” nothing shall obligate ECS staff to provide training to Licensee personnel in the performance and/or operation of the Application software. If a call is placed to the ECS Help Desk and it is mutually determined that training is required to remedy the problem, the call may be routed to the training department so that appropriate training can be scheduled. Remote or on-site training will be billed at ECS’ standard training rate, per Exhibit B.

Entitlement to Future Application Software. ECS will provide upgrades, updates and enhancements to the Application Software, including User Manuals, at no additional license fee according to the following terms:

Once a customer has licensed a module from ECS, including any purchased Add-ons, and has continued to pay Agreement fees, the customer is entitled to any equivalent Software Module or Add-on provided by ECS, whether an upgrade or parallel product. Should ECS decide to include the function provided by the module in a new Software Module or to combine modules, the customer is entitled to the function in the new Software Module or combined module(s) at no additional cost.

Licensee must remain current on this Agreement fee to qualify.

Guidelines and Restrictions

- Each Software Module or Add-on must be licensed from ECS, its assigns or successors.
- Licensee must pay all recurring maintenance fees associated with software license.
- This entitlement does not apply to database licenses or other third party software not owned by ECS, its assigns or successors.
- Licensee is responsible for the cost of hardware, related software, or services necessary to properly implement upgraded software (e.g. new servers, operating system, training, consulting).
- Additional application software seats, if applicable, are sold separately.
- Licensee understands that if Licensee decides to upgrade to a new Software module according to this entitlement, the new Software Modules may not provide the same functionality as the previous Software Module.

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- ECS shall provide at no additional cost to licensee data conversion utility programs. Licensee understands that any custom data conversion programming, custom data mapping, verification and validation services, are not included but shall be made available by ECS to each licensee on a task order basis.
- ECS will support the migration to the new Elite product with a phased implementation strategy providing completed Elite Suites or the interfaces required for Flex module functionality.

Exhibit B: Standard and Billable Support

Standard Support. Support service to be provided under this Agreement at no additional cost to Licensee that includes, but is not limited to:

- Technical troubleshooting and assistance with application software, in order to restore the software functionality to its operational condition prior to any known errors, or to comply with related published Documentation, the current published User Manuals, or Federally Mandated Changes defined herein.
- Best Effort to correct errors, interruptions, malfunctions or defects in the Application Software purchased or licensed from ECS, in order for Application Software to substantially conform to published ECS Documentation and Licensee requirements as contracted by ECS. ECS and Licensee acknowledge that in some instances a release of software coding may be more desirable than that outlined in ECS Documentation. In such a case, it will be at Licensee's discretion to waive this requirement and ECS shall update Documentation to conform to released software. In no case should a documentation change materially change the advertised function of the software.
- E-mail support event call logging and notification
- Assistance with errors caused by routine software Upgrades or Service Packs that are correctly installed as directed in writing by ECS
- Advice and consultation on backup and recovery procedures
- Data fixes caused by defect in the Application Software
- Procedural clarification questions which can be handled in fifteen minutes or less will be addressed.
- For all custom programming done by ECS, as long as the requirements do not change, ECS will support the customizations, which could be affected by ECS Updates, Service Packs, or Enhancements.
- Support or related services to third party product interfaces provided by ECS as listed in Exhibit A.
- Standard operational procedures, preventative or remediation procedures for hardware platforms supported by ECS to be provided on the ECS web site.
- All updates will be provided with easy to read and use instructions, which should permit most licensees to install the updates without any external support from ECS.

Billable Support. Professional services which are requested by Licensee and provided by the ECS Client Support Department during normal business hours, which professional services are not otherwise included in the Standard Support terms hereunder, will be charged at the rates currently in effect at the time of service request. The fee basis is provided in the attached Exhibit B, however, such service rates shall be subject to the same annual rate increases defined for the support rates, as set forth in Section 2 above.

If client requests on-site support services, ECS will NOT assess any billable travel time, but will assess all other reasonable travel-related costs as defined herein.

Billable Support means service requested by Licensee and provided by ECS at an additional cost unless otherwise stated herein. Such Billable Support is approved by the designated project manager or his or her designee(s) in writing by e-mail, fax or letter that includes:

- Setup or adjustment to hardware components or software modules
- Training questions that go beyond procedural clarification
- Installation of operating systems and database upgrades, whether on site or remotely provided
- Writing of custom reports, queries, or procedures
- Custom Programming
- Data archival, backup, or restoration, unless caused by ECS
- Upgrading of hardware systems, or configuration of new hardware components
- Data conversion services
- ECS setting up of additional companies, test, or training database environments
- Any support services initiated and responded to, or attended to after Normal Business Hours, except when continuing to work on emergency (Priority 1) events, provided the work began during normal business hours.
- On-site services (plus pre-approved Reasonable Travel Expenses). Out of pocket, documented, travel expenses for hotel, airfare and local transportation may be provided by the agency at the agency's discretion and option. If ECS representatives are traveling to work with multiple clients, then the travel expenses must be shared and pro-rated.
- Any services caused by licensee's modifications of source code that must to be corrected in order for current or future ECS software to operate correctly
- Any support, upgrades, updates, or related services to third party products on non-ECS proprietary products licensed through a third party unless otherwise listed in Exhibit A
- Compliance assistance and support for standard procedures compliance (as outlined in Section 5.13
- Remote or on-site requested installation of routine software upgrades where end-user installation procedures exist

Exhibit C: Licensed Modules

Licensee Name: **The Housing Authority
of the County of Los Angeles**

Family SS
Merge-it
Waiting List
OMS
Rent Reasonableness
Section 8 C& V
S8 Insp. Scheduler
Accounts Payable
Accounts Receivable
Bank Book
General Ledger

Product upgrades will be issued for Application Software only.

Exhibit D: Support Fee Schedule

Professional Services – Hourly Rates

1. Senior Consultant	\$ 175.00
2. Project Manager	\$ 150.00
3. Consultant	\$ 135.00
4. Support	\$ 135.00
5. Data Conversion	\$ 150.00
6. Network Engineering	\$ 150.00
7. Design/Analysis/Programming	\$ 150.00
8. Training	\$ 135.00
9. Installation	\$ 150.00

Please note:

- Rates are for services provided during normal business hours.
- New service categories may be added to this Exhibit by ECS.
- Rates are subject to change upon reasonable advance notice to Licensee.

Optional After-hours Beeper Service Rates

- \$ 250.00 / Incident
plus
- \$250.00 / Hour

Please note:

Rates are charged in 1-hour increments, with a 1-hour minimum.

ECS Products and Pricing Guide

The Housing Authority of the County of Los Angeles

ECS Software Suites					
Accounting Suite			Housing Suite		Payroll Suite
Suite Options:			Suite Options:		Suite Includes:
Group A	Group B	Group C	Group A	Group B	Group A
Accounts Payable Bank Reconciliation Chart of Accounts General Ledger Inventory	Budget Preparation Budget Validation Fixed Assets Miscellaneous A/R Purchase Order Requisitions	Job Cost Equip Maint Contract Maint Comp Grant Bidding	Section 8 Inspections FSS RR	LIPH Work Orders Cash Receipts Central Cashier Tenant AR Legal PM	Payroll Employee Budgeting
Full Accounting Suite	35% savings		Full Housing Suite	35% savings	Unit range pricing
2 Accounting groups	25% savings		1 Housing group	Unit range pricing	
1 Accounting group	Unit range pricing				
<p>Your maintenance fees do not increase when you license additional applications for groups for which you are currently licensed. We have grouped our software modules to limit your expense. You only pay for the groups you have purchased. Furthermore, pur</p>					

Unit Count = 20,226

Maintenance Pricing Table

Suites	Units						
	<1000	1,000-2,999	3,000-6,999	7000-9,999	10,000-17,490	17,500-24,999	>25,000
Accounting Suite							
1 Accounting group (unit range pricing)	3.11	2.67	2.25	1.75	1.58	1.27	0.81
2 Accounting groups (savings of 25%)	4.65	4.00	3.32	2.59	2.36	1.90	1.20
All Accounting groups (saving of 35%)	5.79	4.97	4.14	3.23	2.94	2.36	1.5
Housing Suite							
1 Housing group (unit range pricing)	4.20	3.60	3.00	2.35	2.15	1.71	1.10
All Housing groups (savings of 35%)	6.30	5.40	3.90	3.05	2.80	2.30	1.40
Payroll Suite							
Payroll group (unit range pricing)	1.40	1.20	1.00	0.80	0.71	0.57	0.36
All Suites							

Please note: Blue numbers represent the median. Minimum rates applies to portfolios under 1000 units.

To determine your rate, please refer to CCS/MLS Software Suites. Determine the groups in each suite for which you currently have products. Now, refer to the Maintenance Pricing Table. Identify the unit column that applies to your agency. For each suite, simply read across to your agency's unit column to locate your cost per unit. For example, in the Accounting Suite, if you have 1 accounting group, read across the first line. If you have 2 groups, read across the second line. If you have three, the third. Total the unit cost for all suites and multiply the result by the number of units in your agency to arrive at your total cost.

Exhibit E: Performance Standards

ECS agrees to reach and maintain the following milestones and performance standards.

Unless otherwise specified below, if on January 1, 2002, ECS has not reached the indicated milestones, ECS will issue a credit equal to the total support invoice amount multiplied by the milestone credit included on the attached table for each milestone not met. The credit will continue until the milestone has been met. If ECS decides NOT to implement a milestone, then ECS will notify Licensee of the decision and will reduce the support fees by the same amount. Should such action be taken, all future price increases and escalator clauses in this contract will be based on the support cost after adjustment.

<u>Milestones</u>	Milestone Credit
Cradle to Grave Incident Number – ECS will assign an event number to all events reported by Licensee by March 31, 2002. The same number will identify the incident from event report until the event is closed to the satisfaction of the Licensee.	2%
Notification to user of event creation – Licensee will be notified by ECS when a support event is received and entered into the ECS event tracking system. Notification will include, but is not limited to, date and time event created, event priority, and text of event description.	2%
Knowledge Base – ECS will maintain a rolling 6-month knowledge base as defined.	2%
Voice Mail Service Requests – ECS will create and maintain a voice-mail mailbox to be used by Licensee to report problems and request support outside of normal ECS business hours.	2%
Data Dictionary – ECS will create and maintain a data dictionary for the Elite software version and all subsequent new releases and versions. The dictionary will include descriptive field names, field type, field length and comments. The comments will allow ECS and end user to enter information. If a field contains values specified by ECS, these values will be loaded on the comments field. ECS will provide a utility that will locate a field name and list the files that contain that field name. A Data Dictionary will be provided within three months of when the corresponding module is first released from beta. The Elite Product will identify the field name for each data element that appears on a screen.	2%

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Module Technical Documentation – For the Flex version this shall mean a description of the setup options as it relates to the SBUS rules. For the Elite and future versions, this shall mean a description of each setup screen, the options available, and the impact and interactions of the setup options. Module Technical Documentation for the Elite version will be provided when the corresponding module is released out of beta and is made available to all clients.	5%
Application Technical documentation – For the Flex version this shall mean a high level workflow within and between modules. For the Elite and future versions, this shall mean a workflow outlining relationships between modules. Application Technical Documentation for Elite will be provided within three months when the corresponding module is released from beta and is made available to all clients. A data schematic will be made available that shows the relationship between all files.	5%
Publish and implement a Flex testing methodology.	2%
Develop a software quality performance measurement for non-critical issues with ECS customers.	2%
<p>Federally Mandated Changes – If, through its own negligence, ECS fails to deliver Federally Mandated Changes as defined herein. The following conditions apply:</p> <ul style="list-style-type: none"> • Licensee may only withhold payments for those Federally Mandated Changes which have defined due dates. • If ECS is late by one day of a month, ECS will forfeit the 65% payment for the entire month, and said delinquencies shall proceed until the compliance is ready. • In the event that licensee pays Agreement on a quarterly or annual basis ECS shall, at the option of Licensee, promptly issue either payment or credit to Licensee in the appropriate pro-rated amount for the monthly withholding. 	65%
Elite Waiting List and Section 8 Modules – installed and under implementation at 3 customer sites by March 31, 2002.	10%
Elite LIPH and Maintenance Modules – installed and under implementation at 3 customer sites by January 1, 2003.	10%
Elite Financial Modules – installed and under implementation at 3 customer sites by January 1, 2004.	10%

If, during any month after January 1, 2002, ECS does not meet the following performance standards, ECS will issue a credit equal to the total monthly support amount multiplied by the percentage associated with each performance measure in this exhibit not met during the period. The credit will continue and will be applied for each month until the performance criteria are met.

Response time is calculated as follows:

The clock starts when an event is received by ECS and is based on the same time zone where customer resides.

The clock stops when an ECS staff member begins work to resolve the issue. Once ECS staff begins work on an issue, work will continue until the problem is resolved to the satisfaction of the licensee. For Emergency (priority 1 support events), work will continue around the clock unless both parties agree to another schedule, for all other issues, efforts will be continuous during normal ECS business hours. Should efforts be terminated by ECS before the work is completed and without the agreement of the licensee, the time between work suspension and work resumption will be added to the initial time to respond to determine the total time to respond.

To meet the response time performance measures, ECS must meet the response time commitments as defined in Section 3.7 for 90% for Priority 1 support events, and 90%

Software Quality will be calculated as follows:

ECS will track all program fixes resulting from any release of software. Fixes required by a release will be classified in two categories: critical errors and non-critical errors. Critical errors are defined below and non-critical errors are all other errors.

To meet the Software Quality performance measure ECS must release software without critical errors for the following:

- Inability to process and print any routine check run (i.e., Payroll, A/P, Section 8, etc.)
- Inability to process rent statements
- Incorrect calculation errors impacting a majority of records
- Aborted postings or error messages preventing data integration and update

The penalty will not be invoked if ECS provides a workaround within 24 hours and a permanent fix within 72 hours.

<u>Performance Measures</u>	<u>Performance Credit</u>
Response Time -	10%
Critical Software Quality	10%

Exhibit F: Contractor's EEO Certification

Contractor's Name

Address

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with Subchapter VII of the *Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e-17*, and the *Americans with Disabilities Act of 1990*, CONTRACTOR, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, color, religion, ancestry, national origin, age, condition of physical or mental disability, marital status, political affiliation or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S CERTIFICATION
(check one)

- | | | | |
|----|--|--------------------------|--------------------------|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. | The Contractor periodically conducts a self-analysis or utilization analysis of its work force. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables. | YES | NO |
| | | <input type="checkbox"/> | <input type="checkbox"/> |

Name and title of signer

Signature

Date

Exhibit G: Actions to be Performed by Licensee

Request for Service. At any time, the Licensee may report its request for service by FAX using ECS' dedicated support FAX phone number, its 800-support number, web site or e-mail. Upon receipt of FAX, e-mail, web site or voice mail message, the request will be entered into the Support Client Database and prioritized. The Licensee will give all the information as stated in paragraph 5.2 of this section. If the Licensee is experiencing an emergency during Normal Business Hours, Licensee will report its request for service using ECS' toll free phone number. Licensee shall make every reasonable effort to determine if the "emergency" is hardware or software-related prior to requesting emergency Application Software support.

Standard Required Information. When contacting ECS for Standard Support, the Licensee shall provide the following information: Licensee name, phone and contact person, the name of the module (General Ledger, Low Income, Section 8, etc.), the menu item that was selected, and the exact difficulty that was experienced. Licensee agrees that full cooperation and assistance is necessary to maintain the successful performance of the software. Licensee will be responsible for notifying ECS of any software problems and will provide written documentation of software problems with specific examples (refer to ECS Support Request form for ECS Support).

Install Latest Software. Unless otherwise agreed in writing or amended by caveats stated herein, Licensee agrees to install the latest released and delivered Update of the Application Software and other licensed software in their live environment in a timely manner, being within two (2) service packs within six (6) months of issuance and notification by ECS, notwithstanding required changes to operating system, hardware or database engine. If any requirement also requires Licensee to replace any hardware, ECS must give Licensee three year's prior notice before implementing any such requirement; however, during that three year period, subject to conditions within ECS' control ECS will support and maintain the then current system on the then current Licensee's hardware to the same extent as before.

Reasonable Access. Licensee agrees to provide those ECS personnel concerned with the operation and support of the Application Software reasonable access to the site to perform activities necessary to fulfill its obligations under this Agreement. ECS shall not use the Licensee's software or other systems for demonstrations to other clients without written permission from the Licensee. Any demonstration should be supervised and presented by Licensee directly, and ECS shall not issue new passwords or changes without the Licensee's permission. Root password will not be given to ECS without permission of the Licensee project manager. ECS will be provided, by the Licensee's project manager, predefined passwords and said passwords will not change without the prior approval of the Licensee project manager.

Data for Support. Licensee will make available to ECS, on a reasonable basis, data necessary for the successful support of the Application Software, including all currently existing master files; ECS and ECS' subcontractor or agents shall not disclose this data to persons without written authorization by Licensee. All such data shall be considered to be Licensee's Proprietary Information and ECS shall retain same in strict confidence, and shall not use or disclose such Proprietary Information except to the extent necessary to perform services hereunder.

Backup. Licensee agrees that adequate copies of all on-line applications, databases, and disk files must be kept on backup media. Therefore, Licensee agrees to make its best effort to create and keep current backup media, not older than two working days, on all Application Software and related data. Licensee further agrees to make backups available for restoration purposes if needed by ECS. Any services provided by ECS as a result of Licensee's failure to comply with this requirement may result in billable time to Licensee at an hourly rate.

Access to Computer and Internet. Licensee agrees to provide, at its own expense, ECS access to Licensee's computer system in order for ECS to fulfill its obligations under this Agreement. Said access shall be available during normal business hours via ECS-approved connection. Such provision shall be operable prior to initial software installation and shall remain operable for the duration of ECS' obligation to Licensee for software support services. ECS will provide ability for technical support services via the internet that would otherwise be available over standard modem connections. Licensee agrees to provide a means of connecting to Internet in order to access ECS web site for obtaining software updates and information that ECS has agreed to publish.

Adequately Trained Staff. Licensee agrees to operate the software with adequately trained staff.

Designated Licensee Contact. It is the intent that only Licensee designated contacts, or in their absence, their assignees can initiate support calls to ECS.

Other Interfaces. Licensee shall be responsible for the interface between Application Software for which support service is available and all other software used by Licensee, whether or not such software is licensed to Licensee by ECS or by others, or has been developed by Licensee.

Software License Limitations. For all application software licensed between ECS and Licensee, Licensee agrees that the right granted to Licensee to use the software, along with any use limitations, and Licensee's responsibilities to prevent unauthorized disclosure specified in the License, apply equally to all maintenance service elements such as corrective code, Enhancements and updates furnished under this Agreement.

Modifications by Licensee. In no event shall ECS be responsible for the correction of any errors or damage resulting from changes to or modification of application software made by Licensee.

Compliance with ECS Standard Procedures. It is the responsibility of the Licensee to adhere to the standard procedures. The posted procedures are subject to modification, as mutually agreed upon between the parties. If a Licensee is unable to fulfill the requirements, they should make billable arrangements with ECS.

Withholding of Standard software support services. ECS has the right to withhold Standard Support services, as defined herein, in the event that Licensee substantially fails to fulfill its obligations as defined herein, and such failure significantly impairs ECS' ability to perform hereunder. In the event it is clear to ECS that Licensee has significantly failed to fulfill its obligations, ECS must first provide written notice to Licensee sixty (60) days prior to withholding services, and, only if at the end of such sixty day period, Licensee has not cured its substantial failure to fulfill such obligations